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December 22, 1999

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RECORDATION NO. 203125 FILED

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SURFACE TRANSPORTATION BOARD

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Secretary Williams:

I have enclosed seven originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Security Agreement and Assignment of Leases, a secondary document, dated as of January 1, 1999. The primary document to which this is connected is recorded under Recordation No. 20312. We request that this document be recorded under Recordation No. 20312-J.

The names and addresses of the parties to the Memorandum of Security Agreement and Assignment of Leases are:

Debtor:

Southern Capital Corporation, LLC  
1055 Broadway  
Suite 990  
Kansas City, MO 64105-1599

Secured Party:

The Chase Manhattan Bank  
270 Park Avenue  
New York, NY 10017

A description of the equipment covered by the Memorandum of Security Agreement and Assignment of Leases consists of 100 tri-level auto racks identified in the Attachment.

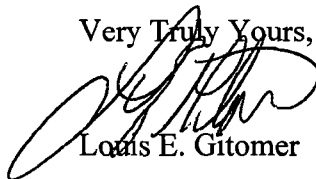
Honorable Vernon A. Williams  
December 22, 1999  
Page 2

A fee of \$26.00 is enclosed. Please return six originals to:

Louis E. Gitomer  
Of Counsel  
Ball Janik LLP  
Suite 225  
1455 F Street, N.W.  
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Security Agreement and Assignment of Leases between Southern Capital Corporation, LLC, 1055 Broadway, Suite 990, Kansas City, MO 64105-1599, and The Chase Manhattan Bank, 270 Park Avenue, New York, NY 10017 covering 100 tri-level auto racks numbered between ETTX 700032-853579.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'L. Gitomer', is written over the typed name.

Louis E. Gitomer

Enclosures

## SCHEDULE A

### 100 Tri-Level Autoracks

ETTX 700032	ETTX 700789	ETTX 820188	ETTX 850742
ETTX 700053	ETTX 700814	ETTX 820228	ETTX 850790
ETTX 700060	ETTX 700816	ETTX 820256	ETTX 850821
ETTX 700107	ETTX 700817	ETTX 820272	ETTX 850887
ETTX 700118	ETTX 700870	ETTX 820277	ETTX 850919
ETTX 700121	ETTX 700873	ETTX 820291	ETTX 850926
ETTX 700149	ETTX 700877	ETTX 820307	ETTX 850945
ETTX 700203	ETTX 700884	ETTX 820340	ETTX 851061
ETTX 700221	ETTX 700899	ETTX 820471	ETTX 851109
ETTX 700269	ETTX 700922	ETTX 820565	ETTX 851127
ETTX 700273	ETTX 700935	ETTX 820651	ETTX 851204
ETTX 700276	ETTX 700944	ETTX 820708	ETTX 851305
ETTX 700285	ETTX 700970	ETTX 820817	ETTX 851447
ETTX 700324	ETTX 700974	ETTX 820983	ETTX 851603
ETTX 700327	ETTX 700988	ETTX 820990	ETTX 851623
ETTX 700371	ETTX 700990	ETTX 850072	ETTX 851627
ETTX 700430	ETTX 701002	ETTX 850087	ETTX 851642
ETTX 700434	ETTX 701017	ETTX 850185	ETTX 852172
ETTX 700440	ETTX 701024	ETTX 850541	ETTX 852795
ETTX 700457	ETTX 820001	ETTX 850545	ETTX 852816
ETTX 700556	ETTX 820016	ETTX 850578	ETTX 852831
ETTX 700577	ETTX 820048	ETTX 850587	ETTX 852891
ETTX 700600	ETTX 820115	ETTX 850657	ETTX 853205
ETTX 700710	ETTX 820123	ETTX 850669	ETTX 853549
ETTX 700731	ETTX 820168	ETTX 850696	ETTX 853579

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## SURFACE TRANSPORTATION BOARD

Memorandum dated as of January 1, 1999, of a Security Agreement and an Assignment of Leases made and entered into as of October 21, 1996, by and between Southern Capital Corporation, LLC, a Colorado limited liability company, as Grantor/Assignor (the "Grantor"), having its principal offices at 4 Embarcadero Center, Suite 2200, San Francisco, CA 94111, and The Chase Manhattan Bank, as collateral agent (the "Collateral Agent"), having its principal offices at 270 Park Avenue, New York, NY 10017.

Reference is hereby made to the Leases specified on Exhibit A attached hereto, by and between the Grantor and the Lessee identified on such Exhibit A (as the same have been and may be amended, supplemented, otherwise modified or renewed from time to time, the "Leases")

## WITNESSETH.

- 1 The Grantor, pursuant to that certain Assignment and Security Agreement (Chattel Mortgage) dated as of October 21, 1996, between the Grantor and the Collateral Agent has transferred, conveyed, warranted, mortgaged, delivered, pledged, assigned and granted to the Collateral Agent, its successors and assigns, all of the Grantor's rights, title and interest in and to the Collateral (as defined therein), including, without limitation, the RR Equipment and the Rental Collateral, all the Grantor's rights, interests and privileges, now or hereafter existing, in and to the Rental Collateral and any and all Proceeds of the foregoing
2. As used in this Memorandum of Security Agreement and Assignment of Leases the following capitalized terms used herein and not otherwise defined herein shall have the meanings specified below. Any other term used herein and not otherwise defined herein shall have the meaning assigned to such term in the Competitive Advance and Revolving Credit Facility Agreement dated as of October 21, 1996, as amended, modified, extended or restated from time to time among Southern Capital Corporation, LLC, the Lenders (as defined therein), Bank of America Illinois, as documentation agent and The Chase Manhattan Bank as syndication agent and administrative agent

"Rental Collateral" means all right, title and interest of the Grantor in and to every lease or car service contract (whether or not such lease or car service contract is in writing or is for a term certain, including, without limitation, per diem leases), now or hereafter existing, relating to the RR Equipment and all other leases constituting any portion of the Rail Portfolio, including, without limitation, the Leases, (each such lease and car service contract, including all amendments, riders, supplements, other modifications and schedules thereto and renewals thereof, an "Assigned Lease"), and including, without limitation, the immediate and continuing right to collect and receive any and all payments due and to become due under any Assigned Lease, whether as contractual obligations, damages or otherwise and all Proceeds of any thereof (such payments, the "Assigned Lease Proceeds").

"RR Equipment" means all rolling stock and is described on Exhibit A attached hereto

"Proceeds" shall have the meaning assigned to such term in the UCC and, in any event, includes, without limitation, (a) any and all proceeds of any insurance, indemnity, warranty or guarantee payable to the Grantor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to the Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of any of the Collateral by any governmental authority (or any person acting under color of governmental authority) and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"UCC" shall mean the Uniform Commercial Code as from time to time in effect in the State of New York

IN WITNESS WHEREOF, the undersigned has caused this instrument to be signed by its corporate officer as of the date first above written

SOUTHERN CAPITAL CORPORATION, LLC,

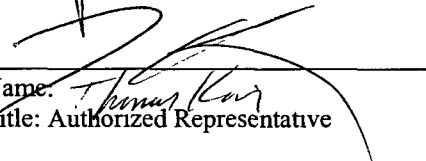
by



Name: JAMES F. EARL

Title: Authorized Representative

by



Name: Thomas King

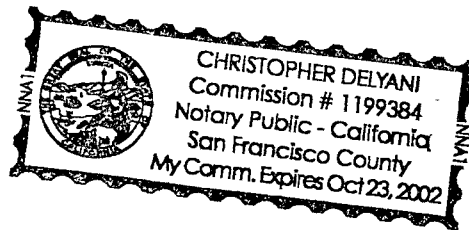
Title: Authorized Representative

STATE OF CALIFORNIA                    )  
  ) ss  
COUNTY OF SAN FRANCISCO            )

On this 17<sup>th</sup> day of December, 1999, before me, Christopher Delyani, Notary Public, personally appeared James F Earl, to me personally known, who being by me duly sworn, says that he is an Authorized Representative of SOUTHERN CAPITAL CORPORATION, LLC, that the foregoing instrument was signed on behalf of said limited liability company, and he acknowledged that the execution of the said instrument was his free act and deed.

*Christopher Delyani*  
NOTARY PUBLIC

My commission expires:

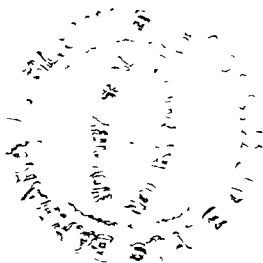


STATE OF Missouri )  
 ) ss.  
COUNTY OF Jackson )

On this 20<sup>th</sup> day of December, 1999, before me, Barbara L. Blevins, personally appeared Thomas King, to me personally known, who being by me duly sworn, says that he is an Authorized Representative of SOUTHERN CAPITAL CORPORATION, LLC, that the foregoing instrument was signed on behalf of said limited liability company, and he acknowledged that the execution of the said instrument was his free act and deed

Barbara L. Blevins  
NOTARY PUBLIC

My commission expires 10/04/03



## LEASES AND RR EQUIPMENT

<u>Lessee</u>	<u>Lease Number</u>	<u>Equipment</u>	<u>Type</u>	<u>Number of Units</u>	<u>Identifying Numbers</u>
The Kansas City Southern Railway Company	Supplement No. 3 to Equipment Master Lease Agreement	Tri-Level Autoracks	Thrall Car Manufacturing	100	See attached Schedule A



## SCHEDULE A

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